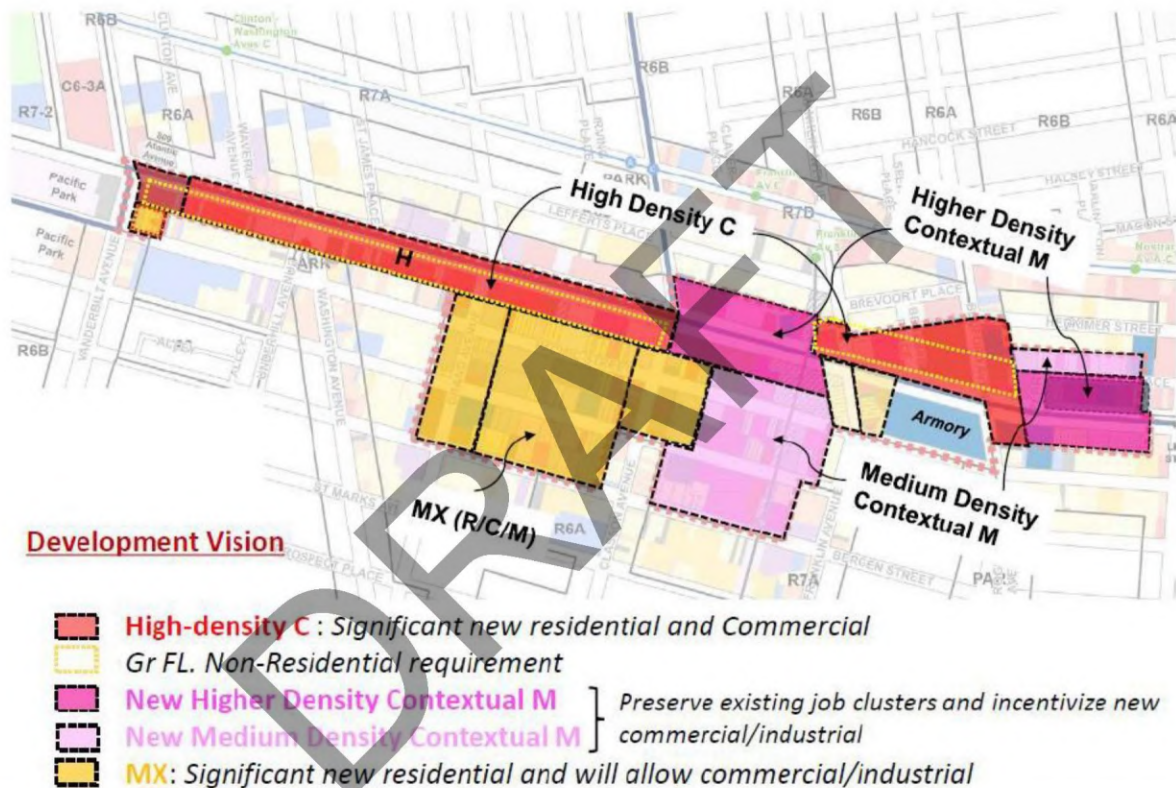


Zoning

The subject is located in the Proposed M-Crown Zoning District.

This appraisal utilizes the proposed M-Crown zoning on the subject site at the specific requirements of the client.

DCP 2018 framework



Zoning

Proposed subzone densities and envelopes

Subzone	Height	FAR			
		Total	M-CROWN uses	Other non-residential	Residential
C	145 ft.	6.50	-	1.90	4.60
MX - side	105 ft.	5.00	0.25	1.15	3.60
MX - avenue	105 ft.	5.00	-	0.40	4.60
M - medium	75 ft.	3.00	0.50	2.50	-
M - high	110 ft.	5.00	1.00	4.00	-

- M-CROWN uses include
 - Light industrial applications
 - Studios for the full range of arts uses (art, film, sound, dance, etc.) and space for arts and culture organizations
 - Child care
 - Medical offices
- FAR for C and MX subzones includes MIH
- M subzones include preferential FAR for M-CROWN uses

Based on the above, the subject sites are located in the C (High Density), MX – Side and MX- Avenue Districts.

Zoning**BUILDABLE AREA CALCULATION – AS OF RIGHTS****PROPOSED M-CROWN ZONING**

M-Crown Rezoning Density							
	Total Lot Size	Zoning	Sf in MX - Avenue	Sf in MX-Side	SF in C (High Density)	Residential FAR	Commercial FAR
Lot: 1	22,000	C, MX - Side		5000	17,000	96,200	39,300
Lot: 68	2,500	MX - Side		2500		9,000	3,500
Lot: 71	4,500	MX- Ave	4500			20,700	1,800
Total Residential FAR based on Proposed M-Crown Zoning						125,900	
Total Commercial FAR based on Proposed M-Crown Zoning							44,600
Total Combined FAR (Residential and Commercial) on Proposed M-Crown Zoning							170,500

*Note: The appraiser is not an expert in analysis of New York City zoning regulations. If there is any question regarding zoning, it is recommended that a zoning expert be consulted.

Highest & Best Use

The objective of the highest and best use analysis is to determine which use or uses produce the greatest return on capital, time and effort. In an appraisal, the concept of highest and best use represents the premise upon which value is based.

The reasoning for the highest and best use analysis is to establish guidelines, for use, that result in the highest return on investment. The process takes into consideration physical and legal restrictions as well as limitations imposed by economic factors.

For the purpose of this appraisal highest and best use is defined as:

***Highest and Best Use***

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria The Highest and Best Use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.¹²

The highest and best use conclusion is based upon a deductive process, first considering all uses and then eliminating those that do not meet the four criteria. A highest and best use determination of the subject is reached when all the reasonably probable alternatives have been considered and a conclusion has been reached as to the best among them.

In order to establish the highest and best use of the subject, data is extracted from city, regional and governmental sources relative to the four criteria, and analyzed. The results of the analysis are used to decide what impact this information has on the highest and best use of the subject.

The conclusion of highest and best use of the subject denotes specific parameters for selecting comparable information in the three approaches to value. Therefore, highest and best use is directly related to value.

¹² The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: American Institute of Real Estate Appraisers, 2002), p. 135.

Highest & Best Use

Analysis Of The Subject As If Vacant

Legally Permissible: Legal restrictions, as they apply to the subject property, include the public restrictions of zoning and the private restrictions of easements and restrictive covenants. The site is part of the proposed M-Crown zoning, which will allow for neighborhood residential, commercial light industrial and community uses. There are no known private restrictions on land uses. In addition, there are no known adverse easements, which affect the property.

Physically Possible: The shape and size of the parcel lends itself to a variety of development possibilities. The topography and soil compositions appear to be adequate to support development of the parcel based upon the existence of the subject improvements and the surrounding structures. As mentioned in the site description, the property is level at street grade. Therefore, the physical characteristics of the parcels do not inhibit development of the site.

Financially Feasible: The demand for vacant land in such a developed area is difficult to measure due to the scarcity of vacant land which can be developed in a financially feasible manner. Based upon the uses permitted within the zoning codes, the parcels could be improved with residential, manufacturing or community use project that would have to provide a positive net return to the land to be economically feasible. Land of this size could support residential or community use development. The property is located within a densely developed residential district. Apartment and commercial rents and sale prices have stabilized the past 24+/- months.

Maximally Productive: Based upon the analysis of the legally permitted, physically possible and financially feasible uses for the property, the most profitable and highest and best use of the parcel, if vacant and available for development, is to develop to the maximum density permitted under the zoning laws.

Highest & Best Use

Analysis Of The Subject As Improved

Since this valuation considers only the value of the subject site, a Highest & Best Use as improved is not applicable.

DRAFT

Valuation Process

Market Value: The valuation process contains all the steps necessary for this type of assignment. The appraisal process also establishes the methodology for estimating many other forms of value. A specific series of procedures constitutes the valuation process; the application of these procedures depends on the nature of the appraisal assignment and the data available.

Traditional appraisal theory applies three approaches to arrive at an estimate of value. The foundations for these approaches are **Cost**, **Market** (Sales Comparison) and **Income**. One or more approaches to value may be used depending on their applicability to the particular appraisal assignment. All three approaches are applicable to many appraisal problems, but one or more of the approaches may have greater significance in a specific assignment. Wherever possible, the appraiser applies the approach or approaches deemed most appropriate in order to arrive at a final value estimate.

In an appraisal assignment, the ultimate goal of the valuation process is a well-supported conclusion that reflects all the factors that influence the value of the property being appraised. To achieve this goal, an appraiser studies a property from three different viewpoints, which correspond to the three traditional approaches to value. Other procedures such as the use of inferential statistics, regression analysis and economic models also contribute to the valuation process by providing the basis for assumptions, forecasts and conclusions.

From the approaches applied, the appraiser derives separate indications of value for the property being appraised. One or more of the approaches may not be applicable to a specific assignment or may be less reliable due to the nature of the property, the needs of the client, or the data available. The alternate value indicators tend to approach a conclusion of value from various points of perception, thus addressing the different reasoning and rationale for the final conclusion of value. In addition, alternative methods can serve as useful checks on one another. The appraisal process is reconciled in a conclusion which integrates the information drawn from market research and data with the appropriate valuation techniques. This conclusion may be presented as a single point estimate of value or as a range within which the value may fall.

This appraisal will utilize only the Sales Comparison Approach to value. The Cost Approach could not be applied without a specific development plan. The subject site as if vacant would provide little or no income. Therefore, the Income Approach was not considered relevant.

The Sales Comparison Approach

The Sales Comparison Approach is the process in which a Market Value estimate is derived by analyzing the market for similar properties and comparing these properties to the subject property. Estimates of market rent, cost, depreciation, and other value parameters may be derived in the other approaches to value using comparative techniques. Often these elements are also analyzed in the Sales Comparison Approach to determine the adjustments to be made to the sale prices of comparable properties. The comparative techniques of analysis applied in the Sales Comparison Approach are fundamental to the valuation process.

In the Sales Comparison Approach, market value is estimated by comparing the subject property to similar properties that have recently sold, are listed for sale, or are under contract (i.e., recently drawn up purchase offers accompanied by a cash or equivalent deposit). A major premise of the Sales Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties.

The comparative analysis performed in the approach focuses on similarities and differences among properties and transactions that affect value. These may include differences in the property rights appraised, the motivations of buyers and sellers, financing terms, market conditions at the time of sale, size, location, physical features, and if the properties produce income, economic characteristics. Elements of comparison are tested against market evidence to determine which elements are sensitive to change and how they affect value.¹³

¹³ The Appraisal of Real Estate, 12th ed. (Chicago: Appraisal Institute, 2001), p. 425.

The Sales Comparison Approach

Procedure

To apply the Sales Comparison Approach, an appraiser follows a systematic procedure. A general outline of the basic procedure follows.

1. Research the market to obtain information on sales transactions, listings, and offers to purchase or sell properties that are similar to the subject property in terms of characteristics such as property type, date of sale, size, location, and zoning.
2. Verify the information by confirming that the data obtained are factually accurate and that the transactions reflect arm's-length market considerations. Verification may also elicit additional information about the market.
3. Select relevant units of comparison) e.g., income multipliers or dollars per acre or per square foot) and develop a comparative analysis for each unit.
4. Compare comparable sale properties with the subject property using the elements of comparison and adjust the sale price of each comparable appropriately to the subject to varying occupancies and economies, a resulting range of values may be a better conclusion than a single value estimate in certain cases.

Adjustments can be made either to total property prices or to appropriate units of comparison. Often adjustments for the property rights conveyed, financing, conditions of sale (motivation), and date of sale (market conditions) are made to the total sale price. The adjusted price is then converted into a unit price (e.g., per square foot, per apartment unit, or per acre) and adjusted for other elements of comparison such as location and physical characteristics.¹⁴

The Sales Comparison Approach will be used to derive market value. In the case of the subject property, the unit of comparison selected is the price per square foot, as this is typically the measure by which this type of property is valued.

¹⁴ **The Appraisal Of Real Estate**, 12th ed. (Chicago: Appraisal Institute, 2001), pp. 425-427

The Sales Comparison Approach

The following section values the subject site based on the Current Zoning.

DRAFT

The Sales Comparison Approach

THE FOLLOWING SALES VALUE THE 21,824 COMMERCIAL FAR.

ANALYSIS & ADJUSTMENT FACTORS

On the following pages sales of development sites are presented. The sold properties represent sites similar to the subject situated within the subject immediate and surrounding neighborhoods. In the discussion below, the appraiser outlines various adjustments for market factors which differ from those of the subject.

Adjustment Process Overview: In analyzing comparable sales data, it is important to note that the adjustment process adjusts the comparable sales to the subject. In adjusting for significant variations between the subject and the comparable properties, the analysis includes a percent adjustment reflecting the appropriate market reaction to those items. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject. For example, if the comparable sale has a location inferior to the subject, it would require an upward adjustment in order to reflect the subject's geographical characteristics. All adjustments utilized will follow this process of adjusting the comparable sale to the subject.

Real Property Rights Conveyed: The transaction price is always based upon the property interest conveyed. All of the sales transferred fee simple. Therefore, no adjustments are required.

Financing Terms: A property's sales price can also be influenced by the financing obtained to purchase the property. Any unusual financing such as below rate financing, balloon mortgages, installment sales contracts or any other unusual financing is examined and any appropriate adjustment is applied if necessary.

Conditions of Sale: Conditions of sale adjusts for the motivation of the buyer and seller. An appropriate adjustment is developed based on whether the sale was an arm's length transaction, a distressed property sale, a foreclosure or a land assemblage. Each of the sales was verified to be an arm's length transactions and no adjustment was applied.

Market Conditions/Date of Sale: This adjustment reflects the change in value from the date of sale to the date of appraised value caused by changes in market conditions. The adjustments applied to the comparable are derived from primary and secondary data extracted from the market as well as information provided by financial institutions and real estate publications. All the sales took place during a period of stable market conditions. Therefore, no adjustments were noted.

The Sales Comparison Approach

Location: The factors that are considered in developing a location adjustment include visibility, access to major highways and traffic flow. After these factors are considered, an appropriate adjustment is developed and applied to the comparable sale. Comparable sales which are located in inferior locations were adequately adjusted.

Developable Area: We have adjusted the sales for size because the market recognizes an economy of scale whereby smaller sites sell at a higher price per square foot than larger ones.

Approved Plans: The comparable sales that have approved plans were adequately adjusted to reflect the effort and money spent obtaining them.

Zoning: The subject and comparable are located in similar zoning districts which allow for the same FAR.

DRAFT

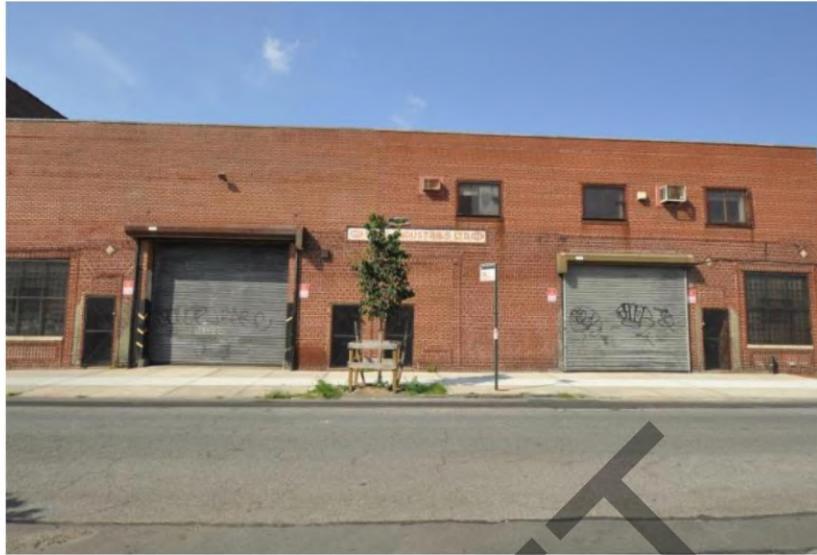
The Sales Comparison Approach



Comparable Sale #1: Grand Avenue, Brooklyn, New York

Address	Grand Avenue
Location	Brooklyn, NY
Block/Lot	1125/1
Lot Size (SF)	10,000
Property Type	Development Site
Lot Influence	Corner
Zoning	M1-1
Maximum FAR	1
Maximum Development (sf)	10,000
Property Rights	Fee Simple
Date of Sale	October 24, 2018
Sale Price	\$6,050,000
Price Per Buildable SF	\$605
Grantor	Meier Family Limited Partnership
Grantee	EMP Grand Pacific LLC

The Sales Comparison Approach



Comparable Sale #2: 601 & 615 Sackett Street, Brooklyn, New York

Address	601 & 615 Sackett Street
Location	Brooklyn, NY
Block/Lot	427/61 & 66
Lot Size (SF)	16,000
Property Type	Development Site
Lot Influence	Mid-Block
Zoning	M1-2
Maximum FAR	2
Maximum Development (sf)	32,000
Property Rights	Fee Simple
Date of Sale	December 20, 2018
Sale Price	\$11,700,000
Price Per Buildable SF	\$366
Grantor	Bak USA LLC
Grantee	601 Sackett Property Owner LLC

The Sales Comparison Approach



Comparable Sale #3: 553 Sackett Street, Brooklyn, New York

Address	553 Sackett Street
Location	Brooklyn, NY
Block/Lot	426/49
Lot Size (SF)	8,500
Property Type	Development Site
Lot Influence	Mid Block
Zoning	M1-2
Maximum FAR	2
Maximum Development (sf)	17,000
Property Rights	Fee Simple
Date of Sale	October 25, 2018
Sale Price	\$5,800,000
Price Per Buildable SF	\$341
Grantor	ATS Reatly, Inc.
Grantee	553 Sackett St, LLC

The Sales Comparison Approach

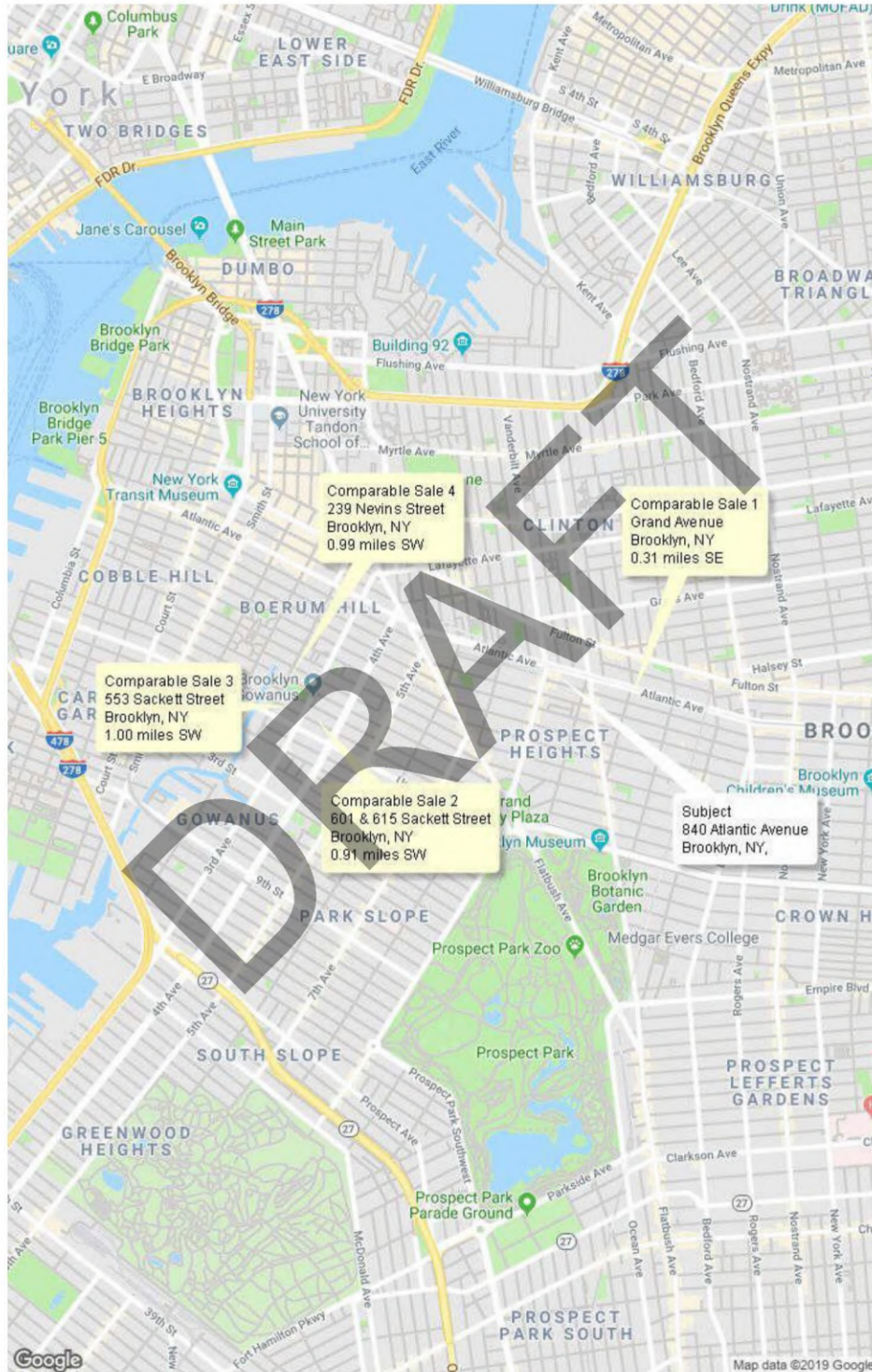


Comparable Sale #4: 239 Nevins Street, Brooklyn, New York

Address	239 Nevins Street
Location	Brooklyn, NY
Block/Lot	412/1
Lot Size (SF)	10000
Property Type	Development Site
Lot Influence	Corner
Zoning	M1-2
Maximum FAR	2
Maximum Development (sf)	20000
Property Rights	Fee Simple
Date of Sale	10/3/2017
Sale Price	\$10,000,000
Price Per Buildable SF	\$500
Grantor	L.C.R.-LLC
Grantee	239 Nevins Street LLC

The Sales Comparison Approach

COMPARABLE SALES MAP



The Sales Comparison Approach

SUMMARY OF COMPARABLE LAND SALES & ADJUSTMENT GRID					
SALES COMPARISON APPROACH					
	Subject	Comparable Sale #1	Comparable Sale #2	Comparable Sale #3	Comparable Sale #4
Address	838-844 Atlantic Ave & 847 Pacific Street	Grand Avenue	601 & 615 Sackett Street	553 Sackett Street	239 Nevins Street
Location	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY
Block/Lot	1122/1, 68 & 71	1125/1	427/61 & 66	426/49	412/1
Lot Size (SF)	21,824	10,000	16,000	8,500	10,000
Property Type	Development Site	Development Site	Development Site	Development Site	Development Site
Lot Influence	Corner, Mid-Block	Corner	Mid-Block	Mid Block	Corner
Zoning	M1-1	M1-1	M1-2	M1-2	M1-2
Maximum FAR	1.00	1.00	2.00	2.00	2.00
Maximum Development (sf)	21,824	10,000	32,000	17,000	20,000
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Date of Sale	N/A	October 24, 2018	December 20, 2018	October 25, 2018	October 3, 2017
Sale Price	N/A	\$6,050,000	\$11,700,000	\$5,800,000	\$10,000,000
Price Per Buildable SF	N/A	\$605	\$366	\$341	\$500
Grantor		Meier Family Limited Partnership	Bak USA LLC	ATS Reatly, Inc.	L.C.R.-LLC
Grantee		EMP Grand Pacific LLC	601 Sackett Property Owner LLC	553 Sackett St, LLC	239 Nevins Street LLC
Adjustments					
Property Rights		0.0%	0.0%	0.0%	0.0%
Financing Terms		0.0%	0.0%	0.0%	0.0%
Conditions of Sale		0.0%	0.0%	0.0%	0.0%
Market Conditions (time)		0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%
Adjusted Price pbsf		\$605	\$366	\$341	\$500
Location		Similar	Similar	Similar	Similar
		0.0%	0.0%	0.0%	0.0%
Developable Site Area	21,824	Similar	Similar	Similar	Similar
		0.0%	0.0%	0.0%	0.0%
Utility: Lot Influence	Corner, Mid-Block	Corner	Mid-Block	Mid Block	Corner
		0.0%	5.0%	5.0%	0.0%
Approved Plans	None	Similar	Similar	Similar	Similar
		0.0%	0.0%	0.0%	0.0%
Zoning	M1-1	M1-1	M1-2	M1-2	M1-2
		0.0%	0.0%	0.0%	0.0%
Net Adjustments		0.0%	5.0%	5.0%	0.0%
Adjusted Sale Price pbsf		\$605	\$384	\$358	\$500
Minimum	\$358				
Maximum	\$605				
Average Price pbsf	\$462				

The Sales Comparison Approach

CONCLUSION

The adjustment process considers the value of the subject "as is". The appraiser analyzed the comparable sales and after adjustments noted a range from \$358 to \$605 per buildable square foot. The appraiser gave most weight to comparable sale #1 as it is the most similar to the subject property, is located in the M1-1 zoning and is located in close proximity to the subject. Therefore the appraiser estimated the value for the subject site at \$600 psf.

(Buildable Area)	x	(Est. Value PBSF)	=	(Total Value)
21,824 (FAR) SF	x	\$600 PSF	=	\$13,094,400
			Say	\$13,100,000

Based on the preceding analysis, the market value of the Commercial FAR of subject property via the Sales Comparison Approach is therefore concluded to be:

THIRTEEN MILLION ONE HUNDRED THOUSAND DOLLARS

\$13,100,000

The Sales Comparison Approach

THE FOLLOWING SALES VALUE THE 14,352 RESIDENTIAL FAR.

ANALYSIS & ADJUSTMENT FACTORS

On the following pages sales of development sites are presented. The sold properties represent sites similar to the subject situated within the subject immediate and surrounding neighborhoods. In the discussion below, the appraiser outlines various adjustments for market factors which differ from those of the subject.

Adjustment Process Overview: In analyzing comparable sales data, it is important to note that the adjustment process adjusts the comparable sales to the subject. In adjusting for significant variations between the subject and the comparable properties, the analysis includes a percent adjustment reflecting the appropriate market reaction to those items. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject. For example, if the comparable sale has a location inferior to the subject, it would require an upward adjustment in order to reflect the subject's geographical characteristics. All adjustments utilized will follow this process of adjusting the comparable sale to the subject.

Real Property Rights Conveyed: The transaction price is always based upon the property interest conveyed. All of the sales transferred fee simple. Therefore, no adjustments are required.

Financing Terms: A property's sales price can also be influenced by the financing obtained to purchase the property. Any unusual financing such as below rate financing, balloon mortgages, installment sales contracts or any other unusual financing is examined and any appropriate adjustment is applied if necessary. Comparable sale #1 features sellers financing, an adjustment was therefore applied.

Conditions of Sale: Conditions of sale adjusts for the motivation of the buyer and seller. An appropriate adjustment is developed based on whether the sale was an arm's length transaction, a distressed property sale, a foreclosure or a land assemblage. Each of the sales was verified to be an arm's length transactions and no adjustment was applied.

Market Conditions/Date of Sale: This adjustment reflects the change in value from the date of sale to the date of appraised value caused by changes in market conditions. The adjustments applied to the comparable are derived from primary and secondary

The Sales Comparison Approach

data extracted from the market as well as information provided by financial institutions and real estate publications. All the sales took place during a period of stable market conditions. Therefore, no adjustments were noted.

Location: The factors that are considered in developing a location adjustment include visibility, access to major highways and traffic flow. After these factors are considered, an appropriate adjustment is developed and applied to the comparable sale. Comparable sales which are located in inferior locations were adequately adjusted.

Developable Area: The market recognizes an economy of scale whereby smaller sites sell at a higher price per square foot than larger ones. We have not adjusted for size as the subject consists of a few lots.

Approved Plans: None of the comparable sales have approved plans as of the time of sale, comparable sale #5 had filed plans which were approved six months after the sale an adequate adjustment was applied.

Zoning: The subject and comparable are located in similar zoning districts.

DRAFT

The Sales Comparison Approach



Comparable Sale #1: 90, 92 & 94 4th Avenue, Brooklyn, New York

Address	90, 92 & 94 4th Avenue
Location	Brooklyn, NY
Block/Lot	395/35, 36 & 37
Lot Size (SF)	12,904
Property Type	Development Site
Lot Influence	Corner, Mid-Block
Zoning	R8A, EC-1 / C2-4
Maximum FAR	6.02
Maximum Development (sf)	77,682
Property Rights	Fee Simple
Date of Sale	June 26, 2018
Sale Price	\$22,885,631
Price Per Buildable SF	\$295
Grantor	94 4th LLC
Grantee	4th Avenue Development Owner LLC

The Sales Comparison Approach



Comparable Sale #2: 484 Sterling Place, Brooklyn, New York

Address	484 Sterling Place
Location	Brooklyn, NY
Block/Lot	1174/18
Lot Size (SF)	9,825
Property Type	Development Site
Lot Influence	Mid Block
Zoning	R6A
Maximum FAR	3
Maximum Development (sf)	29,475
Property Rights	Fee Simple
Date of Sale	October 10, 2017
Sale Price	\$15,000,000
Price Per Buildable SF	\$509
Grantor	484 Sterling PI LLC & AI LLC
Grantee	484-490 Sterling PI NY Corp

The Sales Comparison Approach



Comparable Sale #3: 805 Washington Avenue, Brooklyn, New York

Address	805 Washington Avenue
Location	Brooklyn, NY
Block/Lot	1180/6
Lot Size (SF)	7417
Property Type	Development Site
Lot Influence	Corner
Zoning	R7A/C1-4
Maximum FAR	4
Maximum Development (sf)	29668
Property Rights	Fee Simple
Date of Sale	6/8/2017
Sale Price	\$9,500,000
Price Per Buildable SF	\$320
Grantor	801 Brothers Realty Corp
Grantee	805 Washington Ave LLC

The Sales Comparison Approach



Comparable Sale #4: 352 Clermont Avenue, Brooklyn, New York

Address	352 Clermont Avenue
Location	Brooklyn, NY
Block/Lot	2121/28
Lot Size (SF)	10000
Property Type	Development Site
Lot Influence	Mid Block
Zoning	R6B
Maximum FAR	2
Maximum Development (sf)	20000
Property Rights	Fee Simple
Date of Sale	3/9/2017
Sale Price	\$7,400,000
Price Per Buildable SF	\$370
Grantor	Rocklyn Ecclesiastical Corp
Grantee	NY Fort Greene LLC

The Sales Comparison Approach



Comparable Sale #5: 197 Waverly Avenue, Brooklyn, New York

Address	197 Waverly Avenue
Location	Brooklyn, NY
Block/Lot	1903/1
Lot Size (SF)	3563
Property Type	Development Site
Lot Influence	Mid Block
Zoning	R6B
Maximum FAR	2
Maximum Development (sf)	7126
Property Rights	Fee Simple
Date of Sale	6/28/2017
Sale Price	\$3,200,000
Price Per Buildable SF	\$449
Grantor	Adami Family Limited Partnership
Grantee	197 Waverly Avenue LLC

The Sales Comparison Approach

Comparable Sales Map



The Sales Comparison Approach

SUMMARY OF COMPARABLE LAND SALES & ADJUSTMENT GRID						
SALES COMPARISON APPROACH						
	Subject	Comparable Sale #1	Comparable Sale #2	Comparable Sale #3	Comparable Sale #4	Comparable Sale #5
Address	838-844 Atlantic Ave & 847 Pacific Street	90, 92 & 94 4th Avenue	484 Sterling Place	805 Washington Avenue	352 Clermont Avenue	197 Waverly Avenue
Location	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY
Block/Lot	1122/1, 68 & 71	395/35, 36 & 37	1174/18	1180/6	2121/28	1903/1
Lot Size (SF)	7,176	12,904	9,825	7,417	10,000	3,563
Property Type	Development Site	Development Site	Development Site	Development Site	Development Site	Development Site
Lot Influence	Corner, Mid-Block	Corner, Mid-Block	Mid Block	Corner	Mid Block	Mid Block
Zoning	R6B Residential	R8A, EC-1 / C2-4	R6A	R7A/C1-4	R6B	R6B
Maximum FAR	2.00	6.02	3.00	4.00	2.00	2.00
Maximum Development (sf)	14,352	77,682	29,475	29,668	20,000	7,126
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Date of Sale	N/A	June 26, 2018	October 10, 2017	June 8, 2017	March 9, 2017	June 28, 2017
Sale Price	N/A	\$22,885,631	\$15,000,000	\$9,500,000	\$7,400,000	\$3,200,000
Price Per Buildable SF	N/A	\$295	\$509	\$320	\$370	\$449
Grantor		94 4th LLC	484 Sterling Pl LLC & AI LLC	801 Brothers Realty Corp	Rocklyn Ecclesiastical Corp	Adami Family Limited Partnership
Grantee		4th Avenue Development Owner LLC	484-490 Sterling Pl NY Corp	805 Washington Ave LLC	NY Fort Greene LLC	197 Waverly Avenue LLC
Adjustments						
Property Rights		0.0%	0.0%	0.0%	0.0%	0.0%
Financing Terms		0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of Sale		0.0%	0.0%	0.0%	0.0%	0.0%
Market Conditions (time)		0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price pbsf		\$295	\$509	\$320	\$370	\$449
Location		Similar	Similar	Similar	Similar	Similar
		0.0%	0.0%	0.0%	0.0%	0.0%
Developable Site Area	14,352	Similar	Similar	Similar	Similar	Similar
		0.0%	0.0%	0.0%	0.0%	0.0%
Utility: Lot Influence	Corner, Mid-Block	Corner, Mid-Block	Mid Block	Corner	Mid Block	Mid Block
		0.0%	5.0%	0.0%	5.0%	5.0%
Approved Plans	None	Similar	Similar	Similar	Similar	Filed
		0.0%	0.0%	0.0%	0.0%	-5.0%
Zoning	R6B Residential	R8A, EC-1 / C2-4	R6A	R7A/C1-4	R6B	R6B
		0.0%	0.0%	0.0%	0.0%	0.0%
Net Adjustments		0.0%	5.0%	0.0%	5.0%	0.0%
Adjusted Sale Price pbsf		\$295	\$534	\$320	\$389	\$449
Minimum	\$295					
Maximum	\$534					
Average Price pbsf	\$397					

The Sales Comparison Approach

CONCLUSION

The adjustment process considers the value of the subject "as is". The appraiser analyzed the comparable sales and after adjustments noted a range from \$295 to \$534 per buildable square foot. The appraiser estimated the value for the subject site at \$420 psf based on the subject's location and based on weight given to the comps with similar zoning.

(Buildable Area)	x	(Est. Value PBSF)	=	(Total Value)
14,352 (FAR) SF	x	\$420 PBSF	=	\$6,027,840
			Say	\$6,025,000

Based on the preceding analysis, the market value of the **Residential FAR** of subject property via the Sales Comparison Approach is therefore concluded to be:

SIX MILLION TWENTY FIVE THOUSAND DOLLARS

\$6,025,000

The Sales Comparison Approach

For the final value via the sales comparison approach for the subject property the appraiser will combine the values of both the Commercial and Residential FAR.

Commercial FAR Value		Residential FAR Value		As Is Sales Approach Value
\$13,100,000	+	\$6,025,000	=	\$19,125,000

Therefore, the *market value* of the subject property via the Sales Comparison Approach is concluded to be:

NINETEEN MILLION ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS

\$19,125,000

The Sales Comparison Approach

The following section values the subject site based on the Proposed M-Crown Zoning.

DRAFT

The Sales Comparison Approach

ANALYSIS & ADJUSTMENT FACTORS

On the following pages sales of development sites are presented. The sold properties represent sites similar to the subject situated within the subject immediate and surrounding neighborhoods. In the discussion below, the appraiser outlines various adjustments for market factors which differ from those of the subject.

Adjustment Process Overview: In analyzing comparable sales data, it is important to note that the adjustment process adjusts the comparable sales to the subject. In adjusting for significant variations between the subject and the comparable properties, the analysis includes a percent adjustment reflecting the appropriate market reaction to those items. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject. For example, if the comparable sale has a location inferior to the subject, it would require an upward adjustment in order to reflect the subject's geographical characteristics. All adjustments utilized will follow this process of adjusting the comparable sale to the subject.

Real Property Rights Conveyed: The transaction price is always based upon the property interest conveyed. All of the sales transferred fee simple. Therefore, no adjustments are required.

Financing Terms: A property's sales price can also be influenced by the financing obtained to purchase the property. Any unusual financing such as below rate financing, balloon mortgages, installment sales contracts or any other unusual financing is examined and any appropriate adjustment is applied if necessary. Comparable sale #1 features sellers financing, an adjustment was therefore applied.

Conditions of Sale: Conditions of sale adjusts for the motivation of the buyer and seller. An appropriate adjustment is developed based on whether the sale was an arm's length transaction, a distressed property sale, a foreclosure or a land assemblage. Each of the sales was verified to be an arm's length transactions and no adjustment was applied.

Market Conditions/Date of Sale: This adjustment reflects the change in value from the date of sale to the date of appraised value caused by changes in market conditions. The adjustments applied to the comparable are derived from primary and secondary data extracted from the market as well as information provided by financial institutions and real estate publications. All the sales took place during a period of stable market conditions. Therefore, no adjustments were noted.

Location: The factors that are considered in developing a location adjustment include visibility, access to major highways and traffic flow. After these factors are considered,

The Sales Comparison Approach

an appropriate adjustment is developed and applied to the comparable sale. Comparable sales which are located in inferior locations were adequately adjusted.

Developable Area: We have adjusted the sales for size because the market recognizes an economy of scale whereby smaller sites sell at a higher price per square foot than larger ones.

Approved Plans: The comparable sales that have approved plans were adequately adjusted to reflect the effort and money spent obtaining them.

Zoning: The subject is part of the proposed M-Crown zoning district which will allow for 6.50 and 5.00 combined residential and commercial FAR. Comparable sales are located in residential districts with commercial overlays or in a commercial district that allows for residential development and are deemed superior as they can utilize the entire FAR for residential development, an adequate adjustment was therefore applied.

DRAFT

The Sales Comparison Approach



Comparable Sale #1: 90, 92 & 94 4th Avenue, Brooklyn, New York

Address	90, 92 & 94 4th Avenue
Location	Brooklyn, NY
Block/Lot	395/35, 36 & 37
Lot Size (SF)	12,904
Property Type	Development Site
Lot Influence	Corner, Mid-Block
Zoning	R8A, EC-1 / C2-4
Maximum FAR	6.02
Maximum Development (sf)	77,682
Property Rights	Fee Simple
Date of Sale	June 26, 2018
Sale Price	\$22,885,631
Price Per Buildable SF	\$295
Grantor	94 4th LLC
Grantee	4th Avenue Development Owner LLC

The Sales Comparison Approach



Comparable Sale #2: Crown Street & Montgomery Avenue, Brooklyn, New York

Address	Crown Street & Montgomery Avenue
Location	Brooklyn, NY
Block/Lot	1190/29, 45 & 50
Lot Size (SF)	55,083
Property Type	Development Site
Lot Influence	Corner, Mid-Block
Zoning	R6A
Maximum FAR	3
Maximum Development (sf)	165,249
Property Rights	Fee Simple
Date of Sale	July 24, 2018
Sale Price	\$41,025,000
Price Per Buildable SF	\$248
Grantor	Cornell Crown LLC
Grantee	CP VI Crown Heights, LLC

The Sales Comparison Approach



Comparable Sale #3: 484 Sterling Place, Brooklyn, New York

Address	484 Sterling Place
Location	Brooklyn, NY
Block/Lot	1174/18
Lot Size (SF)	9,825
Property Type	Development Site
Lot Influence	Mid Block
Zoning	R6A
Maximum FAR	3
Maximum Development (sf)	29,475
Property Rights	Fee Simple
Date of Sale	October 10, 2017
Sale Price	\$15,000,000
Price Per Buildable SF	\$509
Grantor	484 Sterling PI LLC & AI LLC
Grantee	484-490 Sterling PI NY Corp

The Sales Comparison Approach



Comparable Sale #4: 805 Washington Avenue, Brooklyn, New York

Address	805 Washington Avenue
Location	Brooklyn, NY
Block/Lot	1180/6
Lot Size (SF)	7417
Property Type	Development Site
Lot Influence	Corner
Zoning	R7A/C1-4
Maximum FAR	4
Maximum Development (sf)	29668
Property Rights	Fee Simple
Date of Sale	6/8/2017
Sale Price	\$9,500,000
Price Per Buildable SF	\$320
Grantor	801 Brothers Realty Corp
Grantee	805 Washington Ave LLC

The Sales Comparison Approach

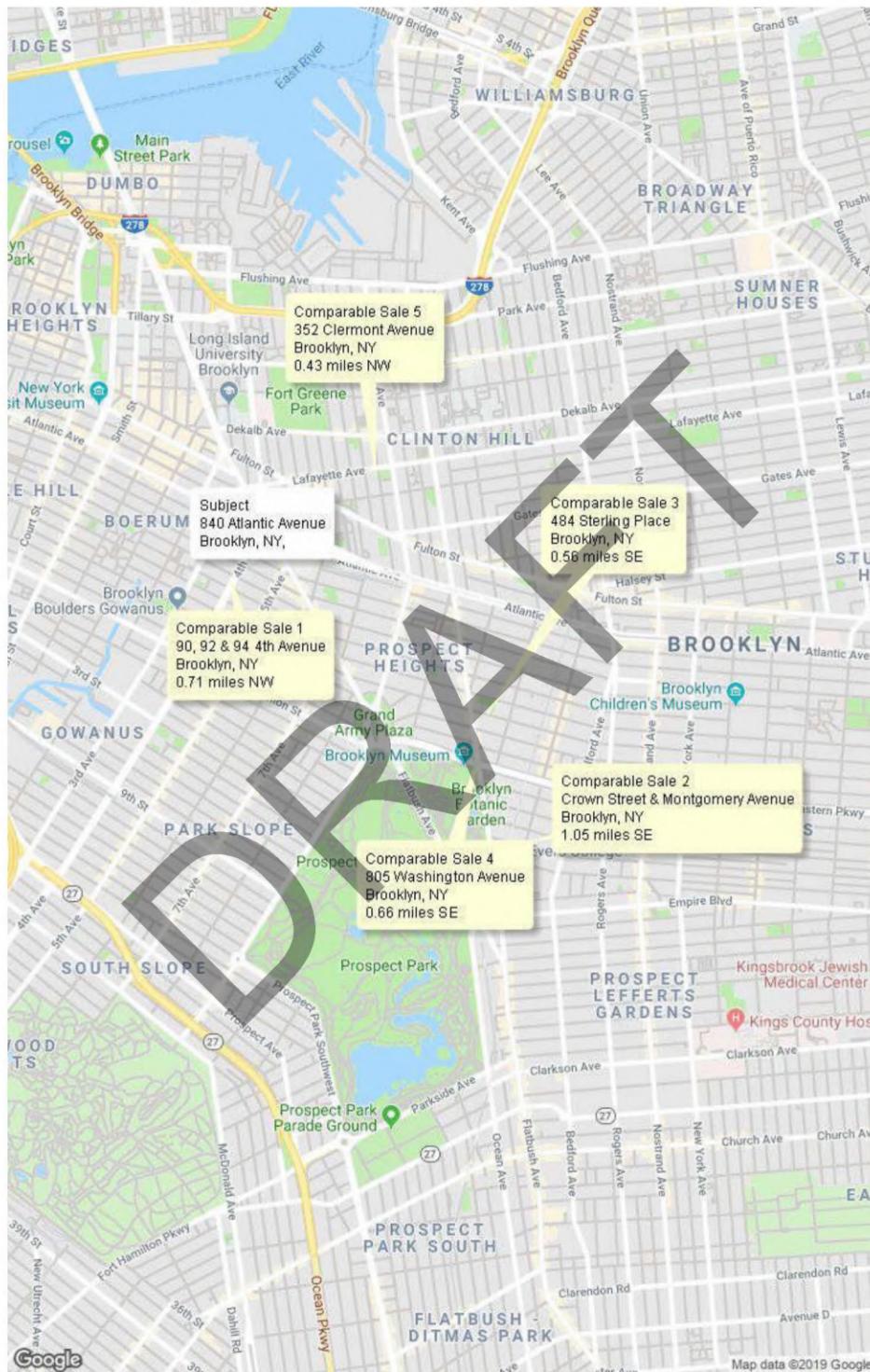


Comparable Sale #5: 352 Clermont Avenue, Brooklyn, New York

Address	352 Clermont Avenue
Location	Brooklyn, NY
Block/Lot	2121/28
Lot Size (SF)	10000
Property Type	Development Site
Lot Influence	Mid Block
Zoning	R6B
Maximum FAR	2
Maximum Development (sf)	20000
Property Rights	Fee Simple
Date of Sale	3/9/2017
Sale Price	\$7,400,000
Price Per Buildable SF	\$370
Grantor	Rocklyn Ecclesiastical Corp
Grantee	NY Fort Greene LLC

The Sales Comparison Approach

COMPARABLE SALES MAP



The Sales Comparison Approach

SUMMARY OF COMPARABLE LAND SALES & ADJUSTMENT GRID						
SALES COMPARISON APPROACH						
	Subject	Comparable Sale #1	Comparable Sale #2	Comparable Sale #3	Comparable Sale #4	Comparable Sale #5
Address	838-844 Atlantic Ave & 847 Pacific Street	90, 92 & 94 4th Avenue	Crown Street & Montgomery Avenue	484 Sterling Place	805 Washington Avenue	352 Clermont Avenue
Location	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY
Block/Lot	1122/1, 68 & 71	395/35, 36 & 37	1190/29, 45 & 50	1174/18	1180/6	2121/28
Lot Size (SF)	29,000	12,904	55,083	9,825	7,417	10,000
Property Type	Development Site	Development Site	Development Site	Development Site	Development Site	Development Site
Lot Influence	Corner, Mid-Block	Corner, Mid-Block	Corner, Mid-Block	Mid Block	Corner	Mid Block
Zoning	Proposed M-Crown	R8A, EC-1 / C2-4	R6A	R6A	R7A/C1-4	R6B
Maximum FAR	6.5 & 5.0 Combined FAR (Residential & Commercial)	6.02	3.00	3.00	4.00	2.00
Maximum Development (sf)	170,500	77,682	165,249	29,475	29,668	20,000
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Date of Sale	N/A	June 26, 2018	July 24, 2018	October 10, 2017	June 8, 2017	March 9, 2017
Sale Price	N/A	\$22,885,631	\$41,025,000	\$15,000,000	\$9,500,000	\$7,400,000
Price Per Buildable SF	N/A	\$295	\$248	\$509	\$320	\$370
Grantor		94 4th LLC	Cornell Crown LLC	484 Sterling Pl LLC & AI LLC	801 Brothers Realty Corp	Rocklyn Ecclesiastical Corp
Grantee		4th Avenue Development Owner LLC	CP VI Crown Heights, LLC	484-490 Sterling Pl NY Corp	805 Washington Ave LLC	NY Fort Greene LLC
Adjustments						
Property Rights		0.0%	0.0%	0.0%	0.0%	0.0%
Financing Terms		0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of Sale		0.0%	0.0%	0.0%	0.0%	0.0%
Market Conditions (time)		0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Price pbsf		\$295	\$248	\$509	\$320	\$370
Location		Similar	Similar	Similar	Similar	Similar
		0.0%	0.0%	0.0%	0.0%	0.0%
Developable Site Area	170,500	Similar	Similar	Similar	Similar	Similar
		0.0%	0.0%	0.0%	0.0%	0.0%
Utility: Lot Influence	Corner, Mid-Block	Corner, Mid-Block	Corner, Mid-Block	Mid Block	Corner	Mid Block
		0.0%	0.0%	5.0%	0.0%	5.0%
Approved Plans	None	Similar	Approved	Similar	Similar	Similar
		0.0%	-15.0%	0.0%	0.0%	0.0%
Zoning	Proposed M-Crown	R8A, EC-1 / C2-4	R6A	R6A	R7A/C1-4	R6B
		-5.0%	-5.0%	-5.0%	-5.0%	-5.0%
Net Adjustments		-5.0%	-20.0%	0.0%	-5.0%	0.0%
Adjusted Sale Price pbsf		\$280	\$199	\$509	\$304	\$370
Minimum	\$199					
Maximum	\$509					
Average Price pbsf	\$332					

The Sales Comparison Approach

CONCLUSION

The adjustment process considers the value of the subject "as is". The appraiser analyzed the comparable sales and after adjustments noted a range from \$199 to \$509 per buildable square foot, with an average price of \$332 PBSF. Therefore the appraiser estimated the value for the subject site at \$330 psf.

(Buildable Area)	x	(Est. Value PBSF)	=	(Total Value)
170,500 (FAR) SF	x	\$330 PSF	=	\$56,265,000

Based on the preceding analysis, the market value of the subject property based on the **Proposed M-Crown Zoning** via the Sales Comparison Approach is therefore concluded to be:

FIFTY-SIX MILLION TWO HUNDRED SIXTY-FIVE THOUSAND DOLLARS

\$56,265,000

Reconciliation

The values indicated by the approaches used in this analysis are:

THE COST APPROACH:

Not Applied

AS IS MARKET VALUE:

SALES APPROACH:

\$19,125,000

AS IS MARKET VALUE (BASED ON M-CROWN ZONING):

SALES APPROACH:

\$56,265,000

THE INCOME APPROACH:

Not Applied

To value the subject, sole reliance was placed on Sales Comparison Approach which examines comparable land sales. The Cost Approach could not be applied without a specific development plan. The site as if vacant would provide little or no income. Therefore, the Income Approach was not considered relevant.

Therefore, it is the opinion of the appraiser that the As Is Market Value estimate of the Development value of the subject property, as of January 8, 2019 is:

NINETEEN MILLION ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS

\$19,125,000

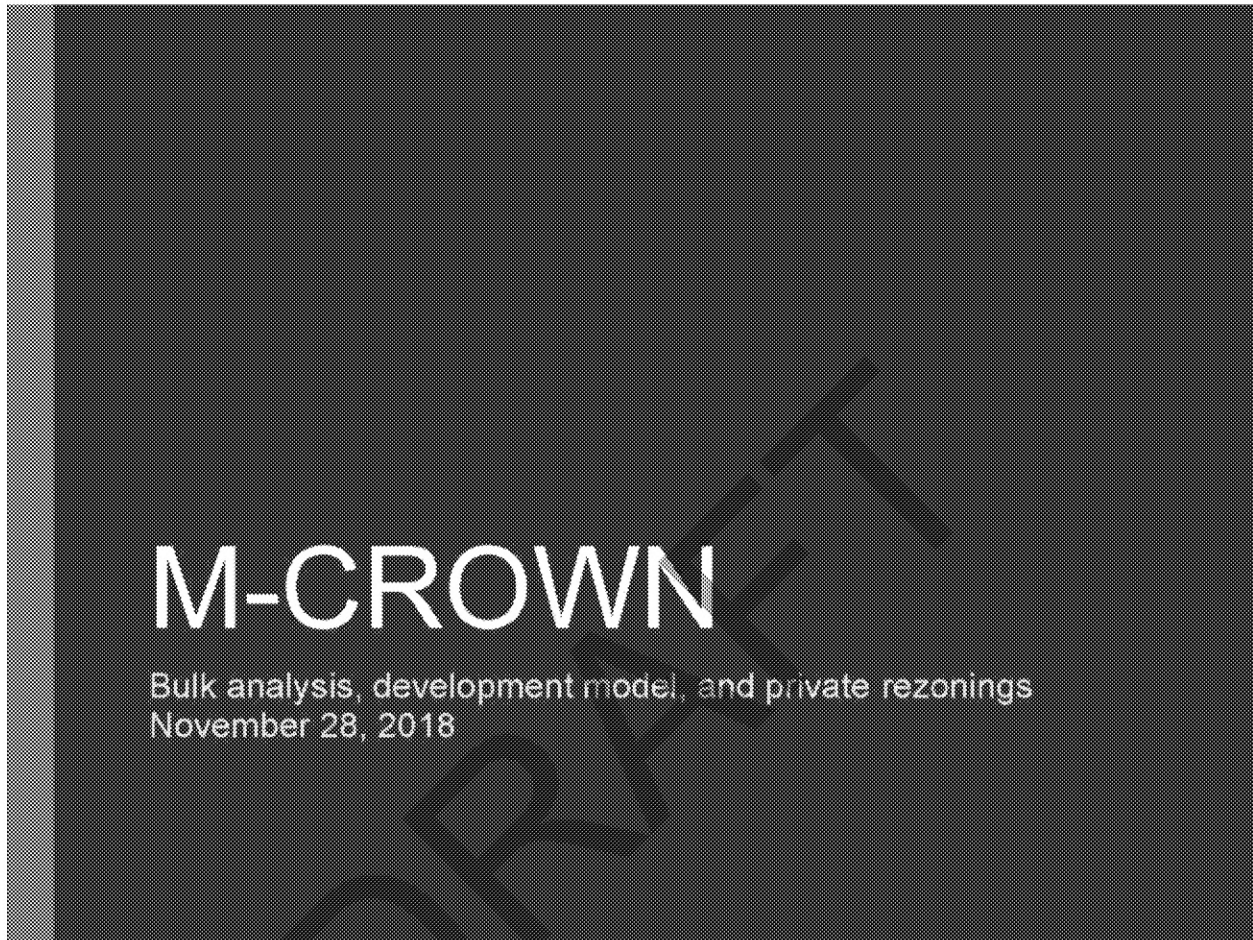
In addition, it is our informed conclusion that the As Is **Market Value** of the *Fee Simple Interest* of the subject property based on the proposed M-Crown zoning, as of January 8, 2019, is:

FIFTY-SIX MILLION TWO HUNDRED SIXTY-FIVE THOUSAND DOLLARS

\$56,265,000

Addendum

Proposed M-Crown Zoning Information



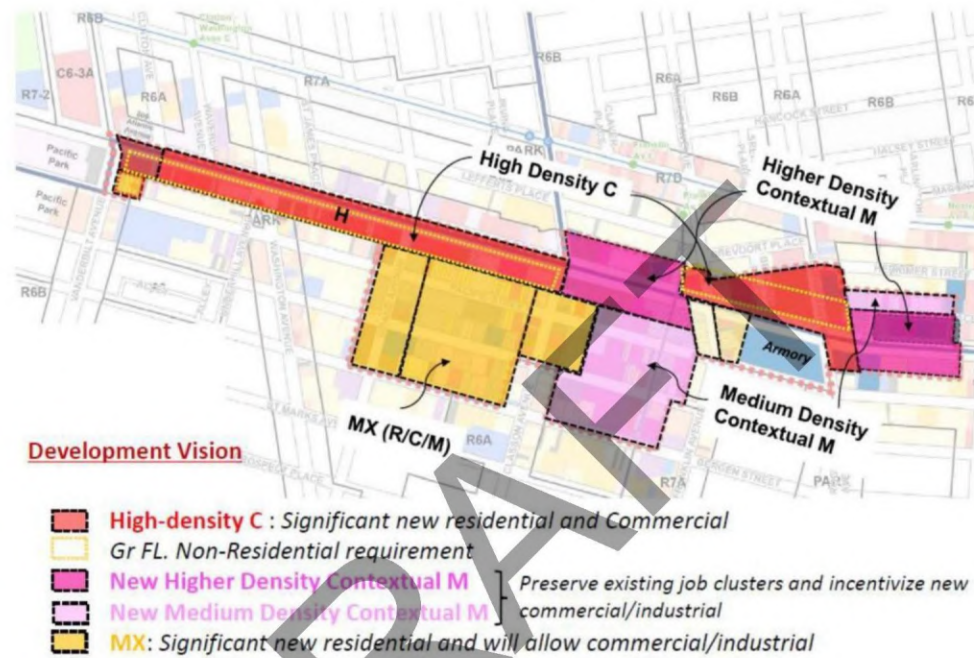
Addendum

M-CROWN goals

- Rezone the current M1-1 district to increase available density for commercial/manufacturing uses mixed with residential
- Use market rate residential development to cross-subsidize affordable housing and manufacturing
- Set affordability levels based on median income for community district 8
- Tailor allowable manufacturing uses in the new zone to maximize potential for living wage jobs

Addendum

DCP 2018 framework



Addendum

Proposed subzone densities and envelopes

Subzone	Height	FAR			
		Total	M-CROWN uses	Other non-residential	Residential
C	145 ft.	6.50	-	1.90	4.60
MX - side	105 ft.	5.00	0.25	1.15	3.60
MX - avenue	105 ft.	5.00	-	0.40	4.60
M - medium	75 ft.	3.00	0.50	2.50	-
M - high	110 ft.	5.00	1.00	4.00	-

- M-CROWN uses include
 - Light industrial applications
 - Studios for the full range of arts uses (art, film, sound, dance, etc.) and space for arts and culture organizations
 - Child care
 - Medical offices
- FAR for C and MX subzones includes MIH
- M subzones include preferential FAR for M-CROWN uses

QUALIFICATIONS OF VICTOR SCHLESINGER

New York and New Jersey Certified General Real Estate Appraiser

Victor Schlesinger is the President of Republic Valuations, a firm providing real estate appraisal and consulting services. The following is a summary resume of his background and experience.

EXPERIENCE

Mr. Schlesinger has more than 25 years of experience in the real estate field and 15+ years of experience as a real estate appraiser, arbitrator and consultant in the fields of real estate and urban economics. He has conducted numerous real estate appraisals of office buildings, research and development (R&D) buildings, industrial facilities, retail stores and shopping centers, hotels, apartments, condominiums and vacant land. Mr. Schlesinger's real estate appraisal expertise is focused on urban/suburban buildings, development projects and land. He has extensive experience in appraising real estate for condemnations, rental and other appraisal arbitration matters, property tax assessment appeals, mortgage loans, assessment districts, community facilities districts and similar public finance bond financing. Analysis and valuation of leasehold, leased fee and other real estate interests are standard areas of practice. He also has experience in cost revenue analyses as they relate to municipal fiscal impacts from a land use project. Mr. Schlesinger is an Associate Member of the Appraisal Institute and is licensed as a New York and New Jersey Certified General Real Estate appraiser.

Mr. Schlesinger frequently provides litigation support and serves as an expert witness in court or in private arbitration proceedings. He also acts as either a neutral or party arbitrator in resolving matters of real estate values, rents and related issues. He has been qualified as a real estate appraisal expert and provided testimony in the New York court system and in the Federal United States Courts.

Republic Valuations is a real estate appraisal and consulting firm. The firm has a staff of approximately 10 real estate appraisal and market research professionals. Mr. Schlesinger has overall management responsibility for the firm, as well as being the partner in charge of many specific appraisal, arbitration and consulting assignments.

Other related experience includes teaching, speaking and publications on various facets of real estate appraisal, arbitration and market research.

PROFESSIONAL AFFILIATIONS & STATE CERTIFICATION

State of New York Certified General Real Estate Appraiser No. 46000047078
State of New Jersey Certified General Real Estate Appraiser No. 42RG00225700
Associate Member of the Appraisal Institute Metropolitan New York chapter

UNIQUE ID NUMBER 46000047078	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 111363
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 01 16 19
[SCHLESINGER VICTOR C/O REPUBLIC VALUATIONS 578 BEDFORD AVE 2C BROOKLYN, NY 11211]		EXPIRATION DATE MO. DAY YR. 01 15 21
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER		
In Witness Whereof The Department of State has caused its official seal to be hereunto affixed. ROSSANA ROSADO SECRETARY OF STATE		
DOS-1098 (Rev. 3/01)		

DRAFT

DRAFT

REPUBLIC VALUATIONS

184 PARK AVENUE, BROOKLYN, NEW YORK 11205

PHONE: 718-625-6900 • FAX: 718-625-6898 • e-mail: Email@RepublicValuations.com

REAL ESTATE APPRAISERS ♦ CONSULTANTS